subsidy of R.s 1284.59 lakhs were sanctioned till 1997. Loan amount of Rs. 199.23 lakhs and subsidy of Rs. 418.56 lakhs was released.

(c) Question does not arise.

Corruption in Collection of Property Taxes

429. SHRI SANTOSH BAGRODIA: Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether Government are aware that there is too much corruption and unhealthy activities in collecting taxes on land and buildings in urban areas;

(b) if so, what are the remedies; and

(c) whether Government plan to reduce the rate of taxes to a reasonable level so that more taxes can be collected?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI BANDARU DATTATRAYA): (a) and (b) It has been experienced that the collection of taxes on land and building in urban areas has been a subject of corruption and malpractice. To prevent such practices and also it make the collection of taxes more rational. Ministry of Urban Development has prepared and circulated guidelines on property tax reforms to all States and Union Territories for necessary action.

(c) As per entry 5 of the State list of the constitution, municipality is a State subject. Therefore, it is for the concerned State Governments to take decisions on fixation of rate of various types of taxes. However, the guideliness on property tax reforms circulated by the Ministry of Urban Development advocated for Area Based Property Tax Model. The main objectives of the guidelines are as under :

(1) Low rate of property Tax so as to make it acceptable by the public at large.

(2) Minimise the discretion on the part of assessors in tax levy;

(3) Make the process of assessment, levy and collection transparent and simple;

(4) Ensure equity between different classes of tax payers/property owners;

(5) Facilitate self assessment of property tax by property owners/occupiers.